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90-11-3-1432

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U.S. Department of Justice

Environment and Natural Resources Division

APR 10 1995
Khakee

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April 6, 1995

Ms. Farah Khakee
Office of Regional Counsel
New York/Caribbean Superfund Branch
U.S. EPA - Region II
290 Broadway, 17th Floor
New York, NY. 10278

Re: In re HBSA Industries, Inc.
No. 91-12864 (Bankr. W.D.N.Y.)

Farah,

I am writing to confirm that the United States filed an Application for Reimbursement of Administrative Expenses in the above-captioned bankruptcy on February 10, 1995. A date-stamped copy of that Application was forwarded to your attention under cover of a February 15, 1995, letter.

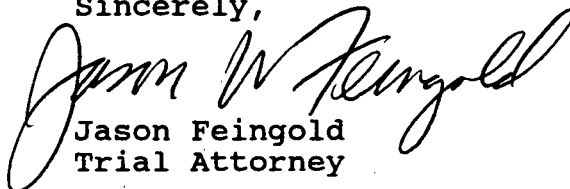
During our conversation this morning, you expressed concern that the files in your office may be incomplete. Apparently two factors have given rise to this concern: (1) the absence of any document captioned "Proof of Claim"; and (2) the absence of a "Filed" stamp on your copy of the Application.

The absence of a "Proof of Claim" in your files does not represent an oversight. No Proof of Claim was filed by the United States in this matter because EPA and the Justice Department determined that HBSA's debt to the United States qualified as an administrative "expense" rather than a general unsecured "claim". For administrative expenses such as these, the appropriate form for recovery is the filing of an Application for Reimbursement of Administrative Expenses.

With regard to the absence of a "Filed" stamp on your copy of the Application, I was informed today by the Bankruptcy Court Clerk that only those pleadings which remain in the Court's possession are stamped "Filed". All reproductions of pleadings are stamped "Received". Therefore, it will not be possible to obtain a copy with a "Filed" stamp for your records.

I hope this explanation finally resolves any lingering uncertainty in your office concerning the integrity of EPA's files. If further questions arise, please do not hesitate to contact me. I will keep you posted of any further developments in the Bankruptcy Court.

Sincerely,

A handwritten signature in cursive script, reading "Jason W. Feingold". The signature is written in dark ink and is positioned above the printed name and title.

Jason Feingold
Trial Attorney